



Health Services
LOS ANGELES COUNTY

**Los Angeles County
Board of Supervisors**

Gloria Molina
First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Mitchell H. Katz, M.D.
Director

Hal F. Yee, Jr., M.D., Ph.D.
Chief Medical Officer

Christina R. Ghaly, M.D.
Deputy Director, Strategic Planning

313 N. Figueroa Street, Suite 912
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Tel: (213) 240-8101
Fax: (213) 481-0503

www.dhs.lacounty.gov

To ensure access to high-quality, patient-centered, cost-effective health care to Los Angeles County residents through direct services at DHS facilities and through collaboration with community and university partners.

July 2, 2013

TO: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Mitchell H. Katz, M.D.
Director

SUBJECT: NOTIFICATION OF DEPARTMENT OF HEALTH SERVICES' USE OF DELEGATED AUTHORITY TO EXECUTE AN AMENDMENT TO THE RADIATION THERAPY SERVICES AGREEMENTS

This is to advise the Board that the Department of Health Services (DHS) has exercised its delegated authority, approved on June 6, 2012 (attached), to extend the term of the Radiation Therapy Services Agreements with Santa Clarita Radiotherapy Medical Group Agreement No. H-702965; South Bay Cancer Center, LLC Agreement No. H-702803; St. Francis Medical Center Agreement No. H-702801; St. Vincent Medical Center Agreement No. H-702799; and Valley Radiotherapy Associates Medical Group, Inc. Agreement No. H-70302 for an additional six months, through December 31, 2013, subject to review and approval by County Counsel with notice to the Board and the Chief Executive Office.

These Agreements allow the County to provide radiation therapy services on an as-needed basis for oncology patients referred by DHS medical facilities. The extension of these Agreements is essential to sustaining capacity and geographic coverage for these services. The current Agreements were set to expire on June 30, 2013.

County Counsel has reviewed and approved this Amendment as to form.

If you have any questions or require additional information, please let me know.

MHK:eh

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

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June 06, 2012

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AN AMENDMENT TO AGREEMENTS FOR RADIATION
THERAPY SERVICES
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

SUBJECT

Request approval of an Amendment to extend the term of Agreements with five providers for the continued provision of radiation therapy services.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and authorize the Director of Health Services (Director), or his designee, to execute Amendment No. 1, to extend the term and update required County provisions of Agreements with five contractors, identified on Attachment I, effective upon Board approval, for the period July 1, 2012 through June 30, 2013, with no increase in rates, for a total estimated cost of \$1,321,000 during the extension period, with an option to extend the Agreement term on a month-to-month basis for a period not to exceed an additional six months, through December 31, 2013.
2. Delegate authority to the Director or his designee, to execute future amendments to Agreements to a) exercise the option to extend the Agreement term on a month-to-month basis for up to six additional months, b) incorporate provisions consistent with County Code, Board policy, and Chief Executive Office contracting requirements, and c) adjust reimbursement rates by up to no more than 10 percent, subject to review and approval by County Counsel, with

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

36 June 6, 2012

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

notice to the Chief Executive Office and your Board.

3. Approve continued delegated authority to the Director or his designee, to execute Agreements with other interested radiation therapy providers who meet the Department of Health Services (DHS or Department) contracting criteria and accept County rates for these services during the term of the Agreements.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Approval of the first recommendation will allow the Director or his designee to execute an Amendment, substantially similar to Exhibit I, to the Radiation Therapy Services Agreements. The current agreements are slated to expire on June 30, 2012. The extension of these Agreements is essential to sustaining capacity and geographic coverage for these services.

Approval of the second recommendation will allow DHS to extend the Agreement term, if necessary, add or revise standard agreement provisions and re-negotiate rates, to ensure continued access to as-needed radiation therapy services for oncology patients referred by DHS facilities.

Approval of the third recommendation will allow DHS to expand geographic coverage and capacity of such services if necessary during the extended term. Any agreements executed under this delegated authority will be co-terminus with the current Agreement term.

Radiation therapy services were obtained through an open solicitation process that allows contracting with additional providers who can meet the geographic access needs and contracting criteria of DHS, and agree to the County rates. To create operational efficiencies, DHS intends to establish master agreements for radiation therapy and other related services through a single solicitation process during the extended term.

Implementation of Strategic Plan Goals

The recommended action supports support Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

The total estimated cost for the extension period effective July 1, 2012 through June 30, 2013 is \$1,321,000 (Attachment I provides estimated costs for services provided by each contractor in FY 2012-13). Funding for these services is included in the FY 2012-13 Recommended Budget and will be requested in future years as necessary.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On June 5, 2007, your Board approved new agreements with four contractors (Santa Clarita Radiotherapy Medical Group, St. Francis Medical Center, St. Vincent Medical Center, and South Bay Cancer Center, LLC) selected through the DHS Request for Proposals process to provide as-needed radiation therapy services for patients referred by all DHS medical facilities. Your Board also delegated authority to the Director to ensure adequate geographic coverage for such services by

6/6/2012

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executing agreements with other interested radiation therapy providers who meet DHS' certification/questionnaire criteria and accept County rates for these services. In 2008, DHS exercised its delegated authority for one additional contractor (Valley Radiotherapy Associates Medical Group, Inc.) to expand coverage in underserved areas of the San Fernando Valley and Santa Clarita Valley areas.

The Amendment includes all of the latest Board-required provisions.

County Counsel has approved Exhibit I as to form.

The Radiation Therapy service is not a Proposition A Agreement, as the services are intermittent and as needed and, therefore, not subject to the Living Wage Program (Los Angeles County Code Chapter 2.201).

CONTRACTING PROCESS

Not applicable.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendation will ensure the continued and uninterrupted provision of radiation therapy services patients referred by DHS facilities.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Mitchell Katz", with a stylized flourish at the end.

Mitchell H. Katz, M.D.

Director

MHK:ck

Enclosures

c: Chief Executive Office
County Counsel
Executive Office, Board of Supervisors

ATTACHMENT I

**RADIATION THERAPY SERVICES AGREEMENTS
CONTRACT BUDGET FOR FY 2012-13
July 1, 2012 through June 30, 2013***

CONTRACTOR	CONTRACT NO.	ESTIMATED COST
Santa Clarita Radiotherapy Medical Group	H-702965	290,000
South Bay Cancer Center, LLC	H-702803	200,000
St. Francis Medical Center	H-702801	136,000
St. Vincent Medical Center	H-702799	65,000
Valley Radiotherapy Associates Medical Group, Inc.	H-703020	630,000
TOTAL		1,321,000

* Note: The budget will be prorated accordingly after the initial expiration date of June 30, 2013, if Director or his designee exercises option to extend the Agreement term on a month-to-month basis for a period not to exceed an additional six months, through December 31, 2013.